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October 26, 2005

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Federal Communications Commission
Office of Secretary

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

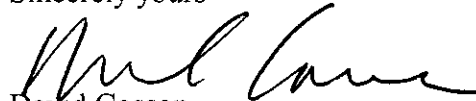
Re: Petition for Clarification or Expedited Waiver.
CC Doc. No. 96-45

Dear Ms. Dortch:

Attached please find an original and four copies of the Joint Petition for Clarification or Expedited Waiver being filed by Twin Valley Telephone, Inc. ("Twin Valley").

Please acknowledge receipt on the "stamp and return" duplicate document attached for this purpose. Please contact me if there are any questions regarding this matter.

Sincerely yours



David Cosson
Counsel to Twin Valley Telephone, Inc.

Cc: Cathy Carpino
Gary Seigel

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JASCOE

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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OCT 26 2005

Federal Communications Commission
Office of Secretary

In the Matter of

Twin Valley Telephone, Inc.

Petition for Clarification or Expedited
Waiver

CC Docket No. 96-45

To: The Commission

PETITION FOR CLARIFICATION OR EXPEDITED WAIVER

Pursuant to Section 1.3 of the Federal Communications Commission's ("FCC" or "Commission") Rules,¹ Twin Valley Telephone, Inc. ("Twin Valley") by its attorney, requests clarification and, if necessary, waiver of Section 54.305 of the Commission's Rules regarding determination of the level of universal service support.

Twin Valley requests this clarification or waiver in conjunction with the Joint Petition filed separately today with United Telephone Company of Kansas ("UTCK") and (United Telephone Company of Eastern Kansas ("UTCEK") (together "United") for waiver of the

¹ 47 C.F.R. § 1.3.

definition of “study area” and rules regarding participation in NECA pools. This Petition also relates to Twin Valley’s proposed purchase of United’s Aurora, Clifton, Clyde, Delphos, Glasco, Green, Leonardville, Longford, Milford, Morganville, Olsburg, Riley and Wakefield exchanges in Kansas (“The Exchanges”).²

The Commission is requested to review and approve this Petition expeditiously. Prompt Commission approval will enable Petitioners to focus time and resources on The Exchanges to be served immediately following the purchase transaction, which Petitioners seek to close on or about February 1, 2006.

I. INTRODUCTION AND SUMMARY

As stated in the Study Area Petition, United is a price cap incumbent local exchange carrier (“ILEC”) that currently owns and operates approximately 127,000 access lines in 145 exchanges in four study areas in the state of Kansas. This transaction involves 13 of the exchanges and approximately 5300 access lines in two of the study areas. Twin Valley owns and operates, as a cost study ILEC, approximately 2300 access lines in six exchanges in the state. It intends to bring the purchased exchanges into its ILEC study area.

II. TWIN VALLEY REQUESTS THAT THE COMMISSION CONCUR WITH ITS CALCULATION OF THE PER LINE SUPPORT AMOUNT DETERMINED PURSUANT TO SECTION 54.305, OR, ALTERNATIVELY, GRANT APPROPRIATE WAIVER

A. Description of The Exchanges being transferred:

² On September 23, 2005, Twin Valley and United filed an Application pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), seeking the Commission’s consent to transfer control of the exchanges being acquired by Twin Valley.

In accordance with the Purchase Agreement Twin Valley agreed to purchase:

- Ten exchanges with a total of approximately 4,800 customer lines from UTCK. The mean customer density of the exchanges purchased from UTCK is 5.47 customers per square mile. UTCK will retain 43 exchanges with a mean customer density of 13.74 customers per square mile.
- Three exchanges with a total of approximately 500 customer lines from UTCEK. The mean customer density of the exchanges purchased from UTCEK is 2.21 customers per square mile. UTCEK will retain 86 exchanges with a mean customer density of 7.34 customers per square mile.

- B. The Amount of per line support should be determined with reference to the role of The Exchanges in generating the current level of support to United.

Twin Valley is acquiring exchanges and lines in two of Sprint's study areas. Since Sprint, pursuant to the Part 54 Rules, has elected not to disaggregate its high cost support, its support is calculated at the overall study area level.

The exchanges purchased by Twin Valley from UTCK and UTCEK are higher cost (more rural and with a lower population density) than the average of UTCK's and UTCEK's Kansas exchanges. A comparison of estimated annual support amounts before and after the sale of exchanges to Twin Valley for the UTCK and UTCEK study areas is shown below.

Table – Federal High Cost Loop Annual Support

Study Area	Before Sale	After Sale	Difference
UTCK – Total	\$3,435,180	\$2,639,002	\$796,177
- Lines	64,862	60,069	4,793
- Per Line	\$52.96	\$43.93	\$9.03
UTCEK – Total	\$6,109,638	\$5,692,591	\$417,048
- Lines	55,407	54,856	551
-Per Line	\$110.27	\$103.77	\$6.50
TOTAL	\$9,544,818	\$8,331,593	\$1,213,225

When United recalculates the annual support it requires for its remaining exchange lines in Kansas for these two study areas (excluding the lines sold to Twin Valley), the resulting annual per-line support will decline. Based on this analysis, due to the sale, the UTCK and UTCEK actual annual support will decline by \$796,177 and \$417,048 respectively. Thus, the support amounts attributable to the sold exchanges are approximately \$166.11 per line (\$796,177/4,793 lines) for UTCK and \$756.89 per line (\$417,048/551 lines) for UTCEK.

Section 54.305 of the Commission’s rules does not specifically define the level of “per line support” for which the acquired exchanges are eligible in the context of large multi-exchange study area such as that operated by Sprint in Kansas. However, the objectives intended for Section 54.305(a) will be achieved if the actual per-line support for the purchased exchange lines (UTCK - \$166.11 and UTCEK - \$756.89) is transferred to Twin Valley. This is clearly consistent with the Commission’s statement that “...the acquired lines will continue to receive

per-line support of the selling company prior to the sale....”³ Further, the same level of support that was received by UTCK and UTCEK for the transferred exchanges and lines will be received by Twin Valley. Consequently, in compliance with the Commission’s objective, Twin Valley will not receive, and did not rely on receipt of an increased level of high cost universal service support beyond that previously received by UTCK and UTCEK. Finally, providing this level of per-line support for the transferred exchanges does not make the exchanges more valuable in hands of another company. Instead this transfer simply creates the situation that would have occurred upon disaggregation of support for these exchanges by Sprint.

C. Alternatively, Twin Valley requests limited, narrow waiver

In the event the Commission does not concur with the above analysis of the application of its rules, Twin Valley respectfully requests that the Commission grant its request for a limited, narrow waiver of Section 54.305(a) of the Commission’s rules to allow the transfer to Twin Valley of the actual level of per-line high cost universal service support currently received by UTCK and UTCEK for the transferred exchanges and lines. Approval of the requested waiver:

- Will be consistent with the intent of Section 54.305(a). The per-line support received by the transferring company will be received by the acquiring company for the acquired lines. The acquiring company will receive no more support that was received by the transferring company.

³ *Federal-State Joint Board on Universal Service*, Report and Order, CC Docket No. 96-45, 12 FCC Rcd 8776, 8942-43 (1997), para. 308.

- Has no effect on the level of the high cost universal service support funds. The level of per-line and total support lost by the selling company will match the level of support transferred to the purchasing company.
- Serves the public interest. Sufficient and predictable support will be transferred from the selling company to the purchasing company to insure that the objectives of Sections 254(b)(1), (2) and (3) of the Act are achieved for the customers in the transferred exchanges.

III. CONCLUSION

Twin Valley requests confirmation that its construction of Section 54.305 is correct, or alternatively that the rule be waived to the limited extent necessary to achieve its purpose. Twin Valley has shown the substantial public interest benefits which would flow from endorsement of its construction or waiver of the rule. Therefore, good cause having been shown, Petitioner respectfully request that this Petition be granted on an expedited basis, thereby allowing the affected customers to benefit from this acquisition as soon as possible.

Respectfully submitted,

Twin Valley Telecommunications, Inc.

By: 
David Cosson

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